

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – AUGUST 19, 2016

CALL TO ORDER  
(A.)

Chairman Brandon Jones called the August 19, 2016, meeting to order at 10:00 a.m. The meeting was held in the East Tower Conference Room of the Eisenhower State Office Building, 700 SW Harrison, in Topeka, KS. Commissioners Dennis McKinney, David Moses and Jan Kessinger were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Finance, and Audit Brandi White, Director of Security Larry Moreland, Recording Secretary Chris Vega and other staff.

MOTION, APPROVE  
AGENDA  
(B.)

Commissioner Kessinger (McKinney) moved to approve the agenda. Motion carried unanimously.

MOTION, APPROVE JULY  
22, 2016 MEETING  
MINUTES  
(C.1.)

Commissioner Kessinger (McKinney) moved to approve the minutes of the July 22, 2016 meeting. Motion carried unanimously.

MOTION, APPROVE  
CONSENT AGENDA  
(D.1. & D.2.)

Commissioner Kessinger (McKinney) moved to approve the consent agenda. Motion carried unanimously.

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; BOOT  
HILL CASINO & RESORT  
(E.1.a.)

Diane Giardine, General Manager, reported:

- July 2016 revenue numbers compared to July 2015:
  - Total gaming revenue up 4.23%
  - Total slot revenue up 4.43%
  - Table games revenue up 2.48%
- Past casino promotions and arena events:
  - Seniors Take 10
  - Stay & Play hotel packages
  - Motorcoach trips
  - Longhorn Cattle Drive
  - BBC Filming – Great American Railroad Journeys
  - 3 Card Poker Tournament
  - Pickin' & Winnin' Ram Truck Giveaway
  - July BHCR Water Bottle Earn & Win
- Upcoming casino promotions and arena events:
  - Fall Concert Series

- August 12 – Mercy Me
- August 19 – Pepe Aguilar
- August 25 – Styx
- October 7 – Make America Rock

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS  
STAR  
(E.2.a.)

Dan Ihm, General Manager, reported:

- July 2016 admissions were up 4.5% from July 2015.
- July 2016 revenue numbers compared to July 2015:
  - Total gaming revenue up 1.1%
  - Slot coin-in (handle) down 1%
  - Slot hold up .09 points
  - Table game drop down 3.6%
  - Table game hold flat
  - Poker room revenue up 13.5%
- Past events at the Kansas Star Casino Arena:
  - July 16 – Side Swipe Martial Arts
  - Bellator MMA
- Upcoming events at the Kansas Star Casino Events Center:
  - September 9 – Trace Adkins
  - September 15 through 18 – U.S. Team Roping Championship
  - October 1 – Evolution Fighting Championship MMA

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS;  
HOLLYWOOD CASINO AT  
KANSAS SPEEDWAY  
(E.3.a.)

Rick Skinner, General Manager, reported:

- July 2016 revenue numbers compared to July 2015:
  - Total gaming revenue was \$12.7 million, an increase of \$190,000.00 or 1.5%
  - Table games revenue was \$1.7 million, an increase of \$35,000.00 or 2.1%
  - Slot revenue was \$10.95 million, an increase of \$155,000.00 or 1.4%
- The month of July featured the usual compliment of marketing promotions including point and entry multipliers and direct mail.
- On August 20 at Kaufmann Stadium, Hollywood Casino will display the 2016 Ford MVP Edition truck that will be part of the fall NASCAR Hollywood Casino 400 Grand Prize Giveaway on October 14.
- Beginning August 29, patrons can begin making their picks for Hollywood Casino's annual \$275,000 Pigskin Payoff

promotion. This promotion runs through the entire National Football League season and culminates with a grand prize drawing on January 20, 2017, where one lucky winner will walk away with \$20,000.00 cash.

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS  
CROSSING CASINO  
(E.4.a.)

Doug Fisher, General Manager, reported:

- Progress on construction of Kansas Crossing Casino and Hampton Inn & Suites:
  - The casino foundation construction is complete. Erection of steel structure is 30% complete, progress continues with anticipated completion date of August 19, 2016. On-site utilities are 85% complete, progress continues with anticipated completion date of August 31, 2016. Off-site utilities are 15% complete, progress continues with anticipated completion in September 2016. (Kansas Crossing Casino)
  - The CMU stairwell towers and elevator shaft construction are complete. Framing of hotel, including roof trusses and decking, continues with an anticipated completion by August 31, 2016. Electrical, plumbing, HVAC and fire sprinkler system installation continues as each floor of hotel is framed, with first floor currently in progress. Off-site water and sanitary sewer line installation in progress, will continue into September 2016. Pre-rock work anticipated to be complete on all floors by end of August 2016. (Hampton Inn & Suites)
- Planned activities for Kansas Crossing Casino and Hampton Inn & Suites:
  - Complete erection of steel structure in August 2016. Complete on-site utilities in August 2016. Continue work on off-site utilities into September 2016. Begin metal framing/exterior sheathing with anticipated completion in late August/early September 2016. Additional work anticipated to begin in late August 2016 and continue into September 2016 includes: electrical conduit installation, roof drain installation, installation of MEP hangars at fireproofing areas, plywood sheathing and wood blocking, installation of exterior wall finishes, installation of fire sprinkler

system, overhead electrical/rough-in and metal frame interior walls/soffits. (Kansas Crossing Casino)

- Complete hotel framing. Continue electrical, plumbing, HVAC and fire sprinkler installation for each framed floor of hotel. Continue installation of off-site water and sanitary sewer line. Complete pre-rock on all hotel floors and commence window and door installation. (Hampton Inn & Suites)

- No new special inspection reports have been submitted since the previous Site Visit Report for both Kansas Crossing Casino and Hampton Inn & Suites.
- Kansas Crossing Casino does not have a designated tornado shelter. Mr. Fisher did inform the commission that the building is being built to withstand 120 miles per hour winds. The commission expressed concern that there was no shelter for the public in the event of a tornado. Mr. Fisher stated that he would relay the commission's concerns to the facility owners.

COMMISSION ITEMS –  
OLD BUSINESS;  
(F.)

There were no old business items.

COMMISSION ITEMS –  
NEW BUSINESS;  
(G.)

There were no new business items.

PUBLIC COMMENTS  
(H.)

There were no public comments.

STAFF REPORTS  
(I.1. and I.2.)

Michelle Neis, Enforcement Attorney, reported on the Voluntary Exclusion Program statistics for the month of July 2016.

Executive Director Brownlee reported:

- The hiring process for the KRGC office at Kansas Crossing Casino has begun and the KRGC is currently conducting a background on a person for the supervising agent position.
- Just closed the application process for an auditor position.
- Responsibilities of current staff have been shifted to add some support to the Electronic Security department.
- Agent positions and a traveling electronic security position will be filled in the next few months.

- The next meeting of the Kansas Racing and Gaming Commission will be September 9, 2016 at 10:00 a.m. in Topeka.
- There will be a presentation at the October commission meeting from a company wanting to talk about historical racing, or “instant racing”. It is an electronic form of pari-mutuel betting on races that have already been run.

DISCIPLINARY REVIEW  
PROCEEDINGS  
(J.1.)

Michelle Neis, Enforcement Attorney, presented to the commission one KRGC case:

- Charles Campbell – 2016-3013

MOTION TO UPHOLD DRB  
SUMMARY PROCEEDING  
ORDER

Commissioner Moses (Kessinger) moved to uphold the Disciplinary Review Board’s Summary Proceeding Order in the matter of KRGC case 2016-3013. Motion carried unanimously.

MOTION, EXECUTIVE  
SESSIONS  
(K.1., K.2. and K.3.)

Chairman Jones moved for the commission to go into executive session for the purpose of (1) attorney/client privilege, (2) reviewing the list of confidential backgrounds for licensing and (3) confidential data relating to the financial affairs of lottery gaming facilities. Those included in the executive sessions were the commissioners, executive director, general counsel, director of security, director of admin, audit and finance along with two others from audit, and two representatives of Boyd Gaming. The total time for the executive sessions was anticipated to be one hour. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Commissioner McKinney (Kessinger) made a motion to adjourn to executive session. The motion carried unanimously and the meeting was adjourned to executive session at 10:55 a.m.

RECONVENE

The commission meeting returned to open session at 11:58 a.m. with all members present. The commission announced it needed to go back into executive session for an additional twenty minutes to finish backgrounds and confidential data relating to the financial affairs of lottery gaming facilities.

MOTION TO RETURN TO  
EXECUTIVE SESSION

Commissioner McKinney (Kessinger) moved the commission return to executive session for an additional twenty minutes. Motion carried unanimously and the commission returned to executive session at 12:00 p.m.

RECONVENE

The commission meeting returned to open session at 12:21 p.m. with all members present.

MOTION

Commissioner McKinney (Kessinger) moved that the commission (1) reaffirm the conditional approval of the refinancing agreement by Boyd Gaming (2) direct KRGC staff to conduct more research on the financing arrangement and (3) direct Boyd Gaming to keep the commission apprised of any changes that occur that would cause the refinancing agreement, or their business to change in any material way, to promptly inform the commission of any changes to the agreement structuring that could materially affect the state of Kansas. Motion carried unanimously.

MOTION TO DENY,  
CONDITIONALLY  
APPROVE, TABLE FOR  
THIRTY DAYS AND  
APPROVE LICENSE  
APPLICATIONS  
(L.1.)

Commissioner Kessinger (Moses) moved to *deny* four license applications, *conditionally approve* three license applications, *table* two license applications for thirty days, and *approve* the remaining 193 license applications from the August 19, 2016 list of background reports referred to the commission for action. Motion carried unanimously.

ADJOURN  
(M.)

Commissioner Kessinger (McKinney) moved to adjourn the meeting. Motion carried unanimously. The meeting adjourned at 12:24 p.m.

SUBMITTED BY:

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Jan Kessinger  
Secretary

APPROVED BY:

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Brandon Jones  
Chairman

